

WOORABINDA ABORIGINAL SHIRE COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

FINANCIAL REPORT

For the Year Ended 30 June 2018

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WOORABINDA ABORIGINAL SHIRE COUNCIL

Statement of Comprehensive Income
For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017 - Restated
		\$	\$	\$	\$
Income					
Revenue					
Recurrent Revenue					
Fees and charges		96,854	129,079	96,854	129,079
Rental income		249,943	128,270	249,943	128,270
Interest received		79,813	108,805	77,059	108,805
Dividend received		-	-	62,500	-
Sales revenue	3(a)	15,766,236	11,163,866	6,907,044	4,361,038
Net market value increment from biological assets	3(b)	822,214	249,200	-	-
Other income	3(c)	961,515	553,727	840,728	432,170
Grants, subsidies, contributions and donations	4(a)	4,293,867	4,557,358	4,293,867	4,557,358
		<u>22,270,441</u>	<u>16,890,306</u>	<u>12,527,994</u>	<u>9,716,720</u>
Capital revenue					
Grants, subsidies and contributions	4(b)	2,409,353	330,804	2,409,353	330,804
Total Revenue		<u>24,679,795</u>	<u>17,221,109</u>	<u>14,937,347</u>	<u>10,047,523</u>
Capital Income	5	3,692,127	6,049	3,676,527	6,049
Total Income		<u>28,371,922</u>	<u>17,227,158</u>	<u>18,613,874</u>	<u>10,053,572</u>
Expenses					
Recurrent Expenses					
Employee benefits	7	(5,841,162)	(6,520,633)	(4,438,666)	(4,773,252)
Materials and services	8	(15,280,898)	(14,132,818)	(8,621,747)	(7,151,665)
Finance costs		(43,621)	38,974	(6,642)	59,183
Depreciation and amortisation	14	(2,638,046)	(2,844,400)	(2,285,464)	(2,417,353)
Total recurrent expenses		<u>(23,803,727)</u>	<u>(23,458,878)</u>	<u>(15,352,520)</u>	<u>(14,283,088)</u>
Capital expenses	6	(35,833)	(3,504,139)	(35,833)	(3,502,464)
Total expenses		<u>(23,839,560)</u>	<u>(26,963,016)</u>	<u>(15,388,352)</u>	<u>(17,785,552)</u>
Net result		<u>4,532,362</u>	<u>(9,735,859)</u>	<u>3,225,522</u>	<u>(7,731,979)</u>
Other comprehensive income					
Items that will not be reclassified to net result					
Increase in asset revaluation surplus	18	364,060	625,934	364,060	-
Total other comprehensive income for the year		<u>364,060</u>	<u>625,934</u>	<u>364,060</u>	<u>-</u>
Total comprehensive income for the year		<u>4,896,421</u>	<u>(9,109,925)</u>	<u>3,589,581</u>	<u>(7,731,979)</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Statement of Financial Position
as at 30 June 2018

	Note	Consolidated		Council		1 July 2016 *
		2018	2017	2018	2017	
		\$	\$	\$	\$	\$
Current Assets						
Cash and cash equivalents	9	5,200,636	5,186,367	4,624,584	5,017,396	4,369,200
Trade and other receivables	10	1,729,326	814,273	1,578,195	746,255	1,110,939
Biological assets	11(a)	5,523,364	4,690,482	-	-	-
Inventories		40,023	25,609	37,523	25,609	1,980
Other Financial Assets	12 (a)	722,547	659,411	722,547	659,411	659,410
Total current assets		13,215,897	11,376,141	6,962,849	6,448,671	6,141,529
Non-current Assets						
Biological assets	11(b)	-	115,398	-	-	-
Investments	13	-	-	462,129	462,129	462,129
Other Financial Assets	12 (b)	22,118,756	19,290,930	22,118,756	19,290,930	23,432,262
Property, plant and equipment	14	61,339,210	58,430,460	48,306,844	48,172,880	50,348,428
Total non-current assets		83,457,966	77,836,789	70,887,729	67,925,939	74,242,819
Total Assets		96,673,863	89,212,929	77,850,578	74,374,610	80,384,348
Current Liabilities						
Trade and other payables	15	2,055,498	2,220,001	1,739,797	2,084,948	425,005
Borrowings	16	672,947	538,145	-	-	-
Provisions	17	253,015	15,173	253,015	15,173	26,921
Total current liabilities		2,981,460	2,773,319	1,992,812	2,100,121	451,926
Non-current Liabilities						
Borrowings	16	2,644,847	295,259	-	-	-
Provisions	17	1,682,572	1,675,787	1,651,764	1,658,067	1,584,020
Total non-current liabilities		4,327,419	1,971,046	1,651,764	1,658,067	1,584,020
Total Liabilities		7,308,879	4,744,366	3,644,576	3,758,188	2,035,946
Net Community Assets		89,364,984	84,468,562	74,206,003	70,616,422	78,348,401
Community Equity						
Retained surplus		58,419,916	53,887,554	49,233,271	46,007,749	53,739,728
Asset revaluation surplus	18	30,675,172	30,311,112	24,702,837	24,338,777	24,338,777
Other reserves		269,896	269,896	269,896	269,896	269,896
Total Community Equity		89,364,984	84,468,562	74,206,003	70,616,422	78,348,401

Council has made a retrospective restatement as a consequence of a correction of an error and therefore, in accordance with AASB 101 has presented a Statement of Financial Position as at the beginning of the comparative period i.e. as at 1 July 2016. Details are disclosed in Note 25.

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Statement of Changes in Equity
For the Year Ended 30 June 2018

Consolidated

	Asset revaluation surplus Note 18 \$	Retained surplus \$	Other Reserves \$	Total \$
Balance as at 1 July 2017	30,311,112	53,887,554	269,896	84,468,562
Net result	-	4,532,362	-	4,532,362
Other comprehensive income for the year				
Increase in asset revaluation surplus	364,060	-	-	364,060
Total comprehensive income for the year	364,060	4,532,362	-	4,896,421
Balance as at 30 June 2018	30,675,172	58,419,916	269,896	89,364,984

Consolidated

	Asset revaluation surplus Note 18 \$	Retained surplus \$	Other Reserves \$	Total \$
Balance as at 1 July 2016	29,685,178	63,623,413	269,896	93,578,487
Net result	-	(9,735,859)	-	(9,735,859)
Other comprehensive income for the year				
Increase in asset revaluation surplus	625,934	-	-	625,934
Total comprehensive income for the year	625,934	(9,735,859)	-	(9,109,925)
Balance as at 30 June 2017	30,311,112	53,887,554	269,896	84,468,562

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Statement of Changes in Equity
For the Year Ended 30 June 2018

Council	Asset revaluation surplus Note 18 \$	Retained surplus \$	Other Reserves \$	Total \$
Balance as at 1 July 2017	24,338,777	46,007,749	269,896	70,616,422
Net result	-	3,225,522	-	3,225,522
Other comprehensive income for the year				
Increase in asset revaluation surplus	364,060	-	-	364,060
Total comprehensive income for the year	364,060	3,225,522	-	3,589,581
Balance as at 30 June 2018	24,702,837	49,233,271	269,896	74,206,003

Council	Asset revaluation surplus Note 18 \$	Retained surplus \$	Other Reserves \$	Total \$
Balance as at 1 July 2016	24,338,777	53,739,728	269,896	78,348,401
Net result	-	(7,731,979)	-	(7,731,979)
Other comprehensive income for the year				
Increase in asset revaluation surplus	-	-	-	-
Total comprehensive income for the year	-	(7,731,979)	-	(7,731,979)
Balance as at 30 June 2017	24,338,777	46,007,749	269,896	70,616,422

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2018

		Consolidated		Council	
		2018	2017	2018	2017
	Note	\$	\$	\$	\$
Cash flows from operating activities :					
Receipts from customers		16,367,653	12,526,757	7,221,113	5,286,969
Payments to suppliers and employees		(21,237,023)	(17,543,086)	(13,221,771)	(10,246,845)
		(4,869,370)	(5,016,328)	(6,000,658)	(4,959,876)
Dividend received		-	-	62,500	-
Interest received		79,813	108,805	77,059	108,805
Rental income		249,943	128,270	249,943	128,270
Non capital grants and contributions		4,104,859	4,557,358	4,104,859	4,557,358
Borrowing costs		(43,621)	38,974	(6,642)	59,183
Net cash inflow (outflow) from operating activities	21	(478,376)	(182,920)	(1,512,939)	(106,260)
Cash flows from investing activities:					
Payments for property, plant and equipment		(5,214,887)	(1,636,568)	(2,087,518)	(241,805)
Proceeds from sale of property plant and equipment		18,868	19,685	3,268	6,049
Capital grants, subsidies, contributions and donations		2,409,353	330,804	2,409,353	330,804
Net cash inflow (outflow) from investing activities		(2,786,666)	(1,286,079)	325,103	95,048
Cash flows from financing activities:					
Proceeds from borrowings and finance leases		3,348,910	1,436,467	795,024	659,409
Repayments made on borrowings and finance leases		(69,599)	(69,599)	-	-
Net cash inflow (outflow) from financing activities		3,279,311	1,366,868	795,024	659,409
Net increase (decrease) in cash held		14,269	(102,132)	(392,812)	648,196
Cash at beginning of the financial year		5,186,367	5,288,499	5,017,396	4,369,200
Cash at end of the financial year	9	5,200,636	5,186,367	4,624,584	5,017,396

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated.

The Council uses the Australian dollar as its functional currency and its presentation currency and rounds to the nearest dollar.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.B Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Woorabinda Aboriginal Shire Council as at 30 June 2018 and the results of all controlled entities for the year then ended. The Council and its controlled entity together form the economic entity which is referred to in these financial statements as the consolidated entity.

In the process of reporting the Council as a single economic entity, all transactions with the entity controlled by the Council have been eliminated. In addition the accounting policies of all controlled entities have been adjusted, where necessary, on consolidation to ensure that the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of Council. Information on controlled entities is included in Note 13.

1.C Constitution

Woorabinda Aboriginal Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

1.D Adoption of new and revised Accounting Standards

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

Standard and impact	Date council will apply the standard
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<u>AASB 9 Financial Instruments</u>	
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This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and will change the classification, measurement and disclosures of financial assets. As a result, Council will measure its financial assets, including its investment in Woorabinda Pastoral Company Pty Ltd, at fair value. Had this requirement been adopted at 30 June 2018, management estimate that the fair value of this investment would have been \$15,621,116 in the Council's separate statement of financial position. There would also have been a corresponding gain of \$15,158,987 recognised in other comprehensive income. There would have been no financial impact on the consolidated financial statements.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

1 July 2019

AASB 16 Leases

Council has some leases that are not on its balance sheet. These will need to be included on the balance sheet when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. Council is still reviewing the impact the implementation of this standard will have.

1 July 2019

1.E Critical accounting judgements and key sources of estimation uncertainty

Where necessary, judgement, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to council's assets or liabilities, relate to:

Valuation and depreciation of property, plant and equipment - Note 14

Impairment of property, plant and equipment - Note 14

Valuation of finance leases - Note 12

Provision for tip restoration - Note 17

Contingent liabilities - Note 19

1.F Taxation

Income of local government and public authorities is exempt from Income tax. However council is subject to Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Note 2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported on in Note 2 (b) are as follows :

Administration and Governance

To support functions of Management of the Council's Finance, Information Technology and administration.

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Social and Cultural

To provide community services and facilities including cultural, health, welfare, emergency services and recreational services.

This function includes:

- Arts and Naidoc celebrations
- Remote indigenous broadcasting services
- Childcare centre and programs
- Sport and Recreation programs
- SES and Rural Fire Brigade

Environmental

To provide environmental services and facilities including Community Environmental Health.

This function also includes:

- Animal Management
- Waste Management
- Parks and Gardens

Assets and Infrastructure

To ensure the provision of:

- Housing, Administration, Maintenance and Construction
- Municipal Services, Water and Sewerage
- Roads, Streets and Drainage

Economic Development

To provide Training, Community Enterprise Development and commercial activities including:

- Service Station
- Commercial Business building rentals
- Workshop and plant hire

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Analysis of results by function

(b) Income and expenses defined between recurring and capital are attributed to the following functions :

Year ended 30 June 2018

Year ended 30 June 2019

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2018	2018	2018	2018							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration & Governance	2,353,607	1,327,082	-	-	3,680,689	5,492,144	-	5,492,144	(1,811,455)	(1,811,455)	10,349,245
Social & Cultural	1,531,426	4,351	-	-	1,535,777	1,467,447	-	1,467,447	68,330	68,330	-
Environmental	25,862	6,332	-	-	32,194	731,749	16,409	748,158	(699,556)	(715,965)	-
Assets & Infrastructure	382,972	6,383,177	2,409,353	3,676,527	12,852,029	-6,951,806	19,424	6,971,230	(185,657)	5,880,799	67,463,810
Economic Development	-	513,185	-	-	513,185	709,373	-	709,373	(196,188)	(196,188)	37,523
Total Council	4,293,867	8,234,127	2,409,353	3,676,527	18,613,874	15,352,520	35,833	15,388,353	(2,824,526)	3,225,522	77,850,578
Controlled entity net of eliminations	-	9,742,448	-	15,600	9,758,048	8,451,208	-	8,451,208	1,291,240	1,306,840	18,823,284
Total consolidated	4,293,867	17,976,575	2,409,353	3,692,127	28,371,922	23,803,728	35,833	23,839,561	(1,533,286)	4,532,362	96,673,863

Year ended 30 June 2017

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurrent		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2017	2017	2017	2017							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration & Governance	2,387,831	528,661	-	6,049	2,922,540	6,287,572	3,481,922	9,769,494	(3,371,081)	(6,867,497)	6,885,190
Social & Cultural	1,732,108	(772,918)	-	-	959,190	1,358,036	-	1,358,036	(398,846)	(398,846)	-
Environmental	-	159,692	-	-	159,692	147,898	20,542	168,440	11,794	11,794	-
Assets & Infrastructure	437,419	4,974,118	330,804	-	5,742,341	6,011,669	-	6,011,669	(600,131)	(269,328)	67,463,810
Economic Development	-	269,809	-	-	269,809	477,913	-	477,913	(208,104)	(208,104)	25,609
Total Council	4,557,358	5,159,361	330,804	6,049	10,053,572	14,283,088	3,502,464	17,785,552	(4,566,368)	(7,731,981)	74,374,610
Controlled entity net of eliminations	-	7,173,586	-	-	7,173,586	9,175,791	1,675	9,177,465	(2,002,205)	(2,003,880)	14,838,319
Total consolidated	4,557,358	12,332,947	330,804	6,049	17,227,158	23,458,879	3,504,139	26,963,016	(6,568,573)	(9,735,860)	89,212,929

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
		\$	\$	\$	\$
3 Revenue					
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.					
(a) Sales revenue					
The sale of goods is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.					
The amount recognised as revenue for housing recoverable works during the period is the amount receivable in respect of invoices issued during the period.					
There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.					
Sale of goods					
Produce Sales		9,004,032	6,822,067	-	-
Service station		117,804	23,602	262,644	42,840
Butcher Shop Income		250,541	160,224	250,541	160,224
Other		-	8,571	-	8,571
		<u>9,372,377</u>	<u>7,014,464</u>	<u>513,185</u>	<u>211,635</u>
Sale of services					
Housing recoverable works		6,335,251	4,108,794	6,335,251	4,108,794
Plant hire income		-	40,609	-	40,609
Other services		58,608	-	58,608	-
		<u>6,393,859</u>	<u>4,149,402</u>	<u>6,393,859</u>	<u>4,149,402</u>
Total sales revenue		<u>15,766,236</u>	<u>11,163,866</u>	<u>6,907,044</u>	<u>4,361,038</u>
(b) Net market value increment from biological assets					
The market value of biological assets is calculated at year end by multiplying the market value per head of cattle by the quantity of stock on hand. The net increment is then reported as revenue in the statement of comprehensive income.					
Livestock		822,214	249,200	-	-
		<u>822,214</u>	<u>249,200</u>	<u>-</u>	<u>-</u>
(c) Other recurrent income					
Sper income		-	3,158	-	3,158
Other income		961,515	550,569	840,728	429,012
		<u>961,515</u>	<u>553,727</u>	<u>840,728</u>	<u>432,170</u>

WOORABINDA ABORIGINAL SHIRE COUNCIL
Notes to the Financial Statements
For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
4 Grants, subsidies, and contributions					
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds.					
Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawing plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.					
(a) Recurrent - grants and subsidies, other contributions and donations are analysed as follows:					
General purpose grants		2,356,737	1,589,851	2,356,737	1,589,851
State Government subsidies & grants		845,313	2,337,220	845,313	2,337,220
Commonwealth Government subsidies & grants		1,091,817	623,073	1,091,817	623,073
Contributions		-	7,214	-	7,214
Total recurrent revenue		4,293,867	4,557,358	4,293,867	4,557,358
(b) Capital - grants and subsidies, and other contributions are analysed as follows:					
Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets.					
State Government subsidies & grants		2,409,353	237,162	2,409,353	237,162
Commonwealth Government subsidies & grants		-	93,641	-	93,641
Total capital revenue		2,409,353	330,804	2,409,353	330,804
5 Capital Income					
Gain on the disposal of non-current assets					
Proceeds from the sale of plant & equipment		15,600	6,049	-	6,049
Less: Book value of property, plant & equipment disposed		-	-	-	-
		15,600	6,049	-	6,049
40 year leases					
Book value of assets transferred		-	-	-	-
Value of lease assets on initial recognition		1,525,905	-	1,525,905	-
Net gain on transfer		1,525,905	-	1,525,905	-
Gain on revaluation of finance leases		2,150,623	-	2,150,623	-
Total capital income		3,682,127	6,049	3,676,527	6,049
6 Capital expense					
Provision for restoration					
Unwinding of discount rate		16,409	20,542	16,409	20,542
Loss on the disposal of non-current assets					
Proceeds from the sale of plant & equipment		3,268	13,636	3,268	-
Less: Book value of property, plant & equipment disposed		(22,692)	(15,311)	(22,692)	-
		19,424	1,675	19,424	-
40 year leases					
Loss on revaluation of finance leases		-	3,481,922	-	3,481,922
Total capital expenses		35,833	3,504,139	35,833	3,502,464

WOORABINDA ABORIGINAL SHIRE COUNCIL
Notes to the Financial Statements
For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
		\$	\$	\$	\$
7 Employee benefits					
Total staff wages and salaries		4,851,870	5,581,214	3,575,787	4,016,830
Councillors' remuneration		369,759	301,781	369,759	301,781
Superannuation		513,447	575,295	399,271	438,946
		<u>5,735,077</u>	<u>6,458,290</u>	<u>4,344,817</u>	<u>4,757,558</u>
Other employee related expenses		106,085	62,343	93,849	15,694
		<u>5,841,162</u>	<u>6,520,633</u>	<u>4,438,666</u>	<u>4,773,252</u>

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties

Total Council employees at the reporting date:

Elected members	5	5	5	5
Administration staff	37	32	37	32
Workshop, outdoors staff	63	91	31	48
Total full time equivalent employees	<u>105</u>	<u>128</u>	<u>73</u>	<u>85</u>

8 Materials and services

Advertising and marketing	7,882	48,563	7,882	45,837
Administration supplies and consumables	73,597	23,002	73,597	23,002
External audit services	135,899	81,735	100,529	65,055
Internal audit services	-	-	-	-
Communications and IT	273,619	143,129	267,303	133,169
Consultants	489,551	158,810	326,822	120,580
Contractors	4,063,555	2,890,954	3,444,225	2,535,957
Cost of Sales	4,689,952	5,201,286	-	-
Directors fees	37,500	-	-	-
Dividends paid	-	-	-	-
Donations	23,975	32,408	3,878	1,400
Fuel	642,077	369,114	401,011	20,744
Insurance paid	366,405	371,217	257,950	226,414
Electricity	455,404	358,502	455,404	322,250
Repairs and maintenance	718,733	624,179	263,418	154,064
Legal expenses	261,728	74,689	261,728	73,289
Travel	155,443	35,533	125,031	27,283
Other materials and services	<u>2,885,578</u>	<u>3,719,697</u>	<u>2,632,969</u>	<u>3,402,622</u>
	<u>15,280,898</u>	<u>14,132,818</u>	<u>8,621,747</u>	<u>7,151,665</u>

9 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash at bank and on hand	2,031,327	1,625,243	1,455,275	1,456,272
Deposits at call	2,843,617	2,777,851	2,843,617	2,777,851
Term Deposits	325,692	783,273	325,692	783,273
Balance per Statement of Cash Flows	<u>5,200,636</u>	<u>5,186,367</u>	<u>4,624,584</u>	<u>5,017,396</u>

Cash at bank is held in the Commonwealth Bank of Australia in a normal business cheque account. The Bank currently has a short term credit rating of A1+ and long term rating of AA-. The deposits at call are held at the Queensland Treasury Corporation.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
10 Trade and other receivables		\$	\$	\$	\$
Receivables are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.					
Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.					
Current					
Other debtors		1,094,262	822,640	956,180	757,461
Less impairment		(245,742)	(245,742)	(245,742)	(245,742)
Accrued revenue		786,870	20,337	786,870	20,337
Prepayments		93,936	217,038	80,887	214,199
		<u>1,729,326</u>	<u>814,273</u>	<u>1,578,195</u>	<u>746,255</u>
No interest is charged on debtors. There is no concentration of credit risk for community services charges and other debtors receivable.					
Movement in accumulated impairment losses (other debtors) is as follows:					
Opening balance at 1 July		245,742	198,978	245,742	198,978
Impairment Debts written off during the year		-	-	-	-
Additional impairments recognised		-	108,383	-	108,383
Impairments reversed		-	61,619	-	61,619
Closing Balance at 30 June		<u>245,742</u>	<u>245,742</u>	<u>245,742</u>	<u>245,742</u>

11 Biological assets

Under AASB 141 Agriculture, biological assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have the natural capacity to grow and/or procreate. These include livestock which are accounted for in the accounts.

Under AASB 141, where an active market exists for a biological asset or agriculture produce in its present location and condition, the quoted price in the market is the appropriate basis for determining the fair value of that asset. Biological assets are valued by multiplying the quoted price in the market at balance date by the number of cattle and horses on hand at balance date, then the estimated selling costs are deducted from the gross sales proceeds.

Council does not own any biological assets, however, the consolidated accounts recognise the stock of cattle and horses owned, and crops planted by, the controlled entity, Woorabinda Pastoral Company Pty Ltd.

Crops are measured at cost. These crops typically have a short term development cycle. The calculation of market value for these crops is based on total cost due to the inherent difficulty in accurately determining the biological advancement percentage of the crop and inherent risk factor determining crop yield and selling price. As such, the cost approach takes into account actual costs for preparation and cultivation.

There are no formal risk management strategies in place related to agricultural activities.

(a) Current

Cattle on Hand - at net market value	4,202,650	4,075,000	-	-
Grain on Hand	160,000	24,500	-	-
Crops Planted - at cost	1,010,000	572,282	-	-
Horses on Hand - at net market value	116,014	18,120	-	-
Sheep on Hand - at net market value	21,050	580	-	-
Pigs on Hand - at net market value	11,620	-	-	-
Turkeys on Hand - at net market value	2,030	-	-	-
	<u>5,523,364</u>	<u>4,690,482</u>	<u>-</u>	<u>-</u>

(b) Non-Current

Woorabinda Pastoral Company - horses on hand	-	115,398	-	-
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CATTLE

Carrying amount at the start of the year	4,075,000	5,481,800	-	-
Increase from purchases/acquisitions	10,750	154,750	-	-
Decrease from disposal/sales	(689,515)	(1,810,510)	-	-
Gain from natural increase and changes in fair values	806,415	248,960	-	-
Carrying amount at the end of the year	<u>4,202,650</u>	<u>4,075,000</u>	<u>-</u>	<u>-</u>

HORSES

Carrying amount at the start of the year	115,398	101,616	-	-
Increase from purchases/acquisitions	25,500	20,430	-	-
Decrease from disposal/sales	(25,084)	(6,788)	-	-
Gain from natural increase and changes in fair values	200	140	-	-
Carrying amount at the end of the year	<u>116,014</u>	<u>115,398</u>	<u>-</u>	<u>-</u>

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
		\$	\$	\$	\$
SHEEP					
Carrying amount at the start of the year		18,120	-	-	-
Increase from purchases/acquisitions		5,800	18,120	-	-
Decrease from disposal/sales		(5,331)	-	-	-
Gain from natural increase and changes in fair values		2,461	-	-	-
Carrying amount at the end of the year		21,050	18,120	-	-
PIGS					
Carrying amount at the start of the year		580	-	-	-
Increase from purchases/acquisitions		1,140	480	-	-
Decrease from disposal/sales		(1,214)	-	-	-
Gain from natural increase and changes in fair values		11,114	100	-	-
Carrying amount at the end of the year		11,620	580	-	-
TURKEYS					
Carrying amount at the start of the year		-	-	-	-
Increase from purchases/acquisitions		300	-	-	-
Decrease from disposal/sales		(293)	-	-	-
Gain from natural increase and changes in fair values		2,023	-	-	-
Carrying amount at the end of the year		2,030	-	-	-
CATTLE					
		Qty	Qty		
Carrying amount at the start of the year		4,578	5,672	-	-
Increase from purchases/acquisitions		4	54	-	-
Natural increase		1,562	1,007	-	-
Decrease from disposal/sales		(961)	(2,114)	-	-
Decrease from rations/deaths		(68)	(41)	-	-
Carrying amount at the end of the year		5,115	4,578	-	-
HORSES					
		Qty	Qty		
Carrying amount at the start of the year		68	58	-	-
Increase from purchases/acquisitions		12	7	-	-
Natural increase		10	7	-	-
Decrease from death/losses		(16)	(4)	-	-
Carrying amount at the end of the year		74	68	-	-
SHEEP					
		Qty	Qty		
Carrying amount at the start of the year		109	-	-	-
Increase from purchases/acquisitions		36	109	-	-
Natural increase		80	-	-	-
Decrease from disposal/sales		(9)	-	-	-
Decrease from death/losses		(38)	-	-	-
Carrying amount at the end of the year		178	109	-	-
PIGS					
		Qty	Qty		
Carrying amount at the start of the year		9	-	-	-
Increase from purchases/acquisitions		11	4	-	-
Natural increase		64	5	-	-
Decrease from disposal/sales		(1)	-	-	-
Decrease from death/losses		(33)	-	-	-
Carrying amount at the end of the year		50	9	-	-

WOORABINDA ABORIGINAL SHIRE COUNCIL
Notes to the Financial Statements
For the Year Ended 30 June 2018

	Note	Consolidated		Council	
		2018	2017	2018	2017
		\$	\$	\$	\$
TURKEYS					
		Qty		Qty	
Carrying amount at the start of the year		-	-	-	-
Increase from purchases/acquisitions		6	-	-	-
Natural increase		65	-	-	-
Decrease from disposals/sales		-	-	-	-
Decrease from death/losses		(13)	-	-	-
Carrying amount at the end of the year		58	-	-	-

During the financial years ended 30 June 2017 and 30 June 2018 the Woorabinda Pastoral Company Pty Ltd undertook a full stock count (muster) of all biological assets verifying the existence of cattle and horses at varying stages of development. An independent third party livestock auctioneer, Barcoo Pastoral Agencies, was engaged to determine the market value of the cattle and horses based on the maturity and breed of the animal.

GRAIN ON HAND

Wheat	-	24,500	-	-
Sorghum	160,000			

CROPS PLANTED

Wheat	-	189,643	-	-
Chickpea	-	382,639	-	-
Sorghum	80,000	-	-	-
Corn	525,000	-	-	-
Sunflowers	405,000	-	-	-
Carrying amount at the end of the financial year	1,170,000	572,282	-	-

12 Other financial assets

Other financial assets are recognised at cost, with the exception of finance leases.

Council has leased 235 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was \$2,835.32. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains or losses on revaluation of finance lease assets are recognised as other income. The calculation of fair value has included an estimate of average annual CPI increases of 2.5% (being the mid-point of the RBA's target inflation rate) and a discount rate of 3.09%.

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

(a) Current

40 year lease initial recognition - finance leases, current	722,547	659,411	722,547	659,411
	<u>722,547</u>	<u>659,411</u>	<u>722,547</u>	<u>659,411</u>

(b) Non Current

40 year lease initial recognition - finance leases, non-current	22,118,756	19,290,930	22,118,756	19,290,930
	<u>22,118,756</u>	<u>19,290,930</u>	<u>22,118,756</u>	<u>19,290,930</u>

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

Not later than one year	722,548	659,411	722,548	659,411
Later than one year but not later than five years	2,890,190	2,637,641	2,890,190	2,637,641
Later than five years	21,493,683	520,101,675	21,493,683	20,101,675
	<u>25,106,421</u>	<u>523,398,727</u>	<u>25,106,421</u>	<u>23,398,727</u>
Add: Estimated contingent rent	14,198,166	13,593,200	14,198,166	13,593,200
Less: Present value adjustment	(16,463,283)	(17,041,586)	(16,463,283)	(17,041,586)
Fair value of lease payments	22,841,304	519,950,341	22,841,304	19,950,341

13 Investments

The controlled entity, Woorabinda Pastoral Company Pty Ltd, is accounted for at cost in the Council's separate financial statements. Council is the sole shareholder of 462,129 \$1 fully paid ordinary shares in Woorabinda Pastoral Company Pty Ltd. The shares are measured at cost as fair value cannot be reliably measured.

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up or shares held. The issued capital of 462,129 at par of \$1 have been eliminated from the Consolidated accounts of Council.

(a) Current

Shares in controlled entity Woorabinda Pastoral Company Pty Ltd	-	-	462,129	462,129
	<u>-</u>	<u>-</u>	<u>462,129</u>	<u>462,129</u>

14 Property, Plant and Equipment

Capitalisation Thresholds

Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight, architect's fees, engineering design fees and all other establishment costs.

All asset acquisitions are accounted to work in progress and when completed are transferred from work in progress to the relevant asset class.

Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index. Ongoing monitoring of asset conditions through work programs, maintenance schedules and onsite observations allows any material change in asset conditions to be recognised. In a year of formal revaluation the valuer physically sites a representative sample of the asset class being revalued and makes assessments of the condition of the assets at the date of inspection.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the consolidated entity. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the consolidated entity.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the table below.

Deed of Grant in Trust

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 33,811 hectares.

The land is administered by the Department of Natural Resources and Mines and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

14 Property, plant and equipment
(a) Consolidated - 30 June 2018

Basis of measurement

Asset Values

Opening gross value as at 1 July 2017
Additions at cost
Revaluation adjustments to the ARS
Transfers between classes
Transfers from WIP
Disposals
Closing gross value as at 30 June 2018

Land and improvements	Buildings	Houses	Motor Vehicles	Motor Vehicles - Hire Purchase	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	Total
Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Valuation	Valuation	Valuation	at cost	
2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
9,005,401	23,576,969	13,065,598	3,063,560	60,000	2,246,525	115,060	97,288	23,074,026	11,190,198	31,194,941	(0)	116,689,566
2,889,424	9,029	-	21,364	-	207,552	-	-	-	-	-	2,087,518	5,214,887
-	1,120,781	-	-	-	-	-	-	-	-	-	-	1,120,781
-	(29,894)	(48,636)	(24,881)	-	-	-	-	-	-	-	-	(103,411)
-	236,179	258,264	109,492	-	330,715	77,431	-	184,334	107,200	474,930	(1,778,544)	0
-	(370,000)	(708,974)	(33,396)	-	-	-	-	-	-	-	-	(1,112,370)
11,894,825	24,543,064	12,566,252	3,136,139	60,000	2,784,792	192,491	97,288	23,258,360	11,297,398	31,669,871	308,973	121,809,453

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2017
Depreciation provided in period
Depreciation on disposals
Revaluation adjustments to the ARS
Transfers between classes
Accumulated depreciation as at 30 June 2018
Total written down value as at 30 June 2018

1,465,128	14,542,809	9,574,196	2,500,152	35,612	1,087,585	113,185	64,477	7,242,423	4,065,762	17,567,777	-	58,259,106
152,124	551,124	242,465	88,401	89,117	167,854	8,580	7,570	388,433	344,222	598,158	-	2,638,046
-	(370,000)	(688,150)	(22,069)	-	-	-	-	-	-	-	-	(1,080,219)
-	756,721	-	-	-	-	-	-	-	-	-	-	756,721
-	(78,530)	-	(24,881)	-	11,315	-	-	-	-	(11,315)	-	(103,411)
1,617,252	15,402,124	9,128,511	2,541,603	124,729	1,266,753	121,765	72,047	7,630,856	4,409,984	18,154,620	-	60,470,243
10,277,573	9,140,940	3,437,741	594,536	(64,729)	1,518,039	70,726	25,241	15,627,504	6,887,414	13,515,250	308,973	61,339,210

Range of estimated useful life in years

Land: Not depreciated Improvements: 5 - 80	30 - 60	60 - 80	3 - 5	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 100		
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Additions comprise:

Renewals

Other additions
Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	-	-	-	-	-
2,889,424	245,208	258,264	130,856	-	538,267	77,431	-	184,334	107,200	474,930	308,973	5,214,887
2,889,424	245,208	258,264	130,856	-	538,267	77,431	-	184,334	107,200	474,930	308,973	5,214,887

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

14 Property, plant and equipment

(b) Council - 30 June 2018

Basis of measurement

Asset Values

Opening gross value as at 1 July 2017

Additions at cost

Revaluation adjustment to the ARS

Transfers between classes

Transfers from WVIP

Disposals

Closing gross value as at 30 June 2018

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2017

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to the ARS

Transfers between classes

Accumulated depreciation as at 30 June 2018

Total written down value as at 30 June 2018

Land and improvements	Buildings	Houses	Motor Vehicles	Motor Vehicles - Hire Purchase	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	Total
Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Valuation	Valuation	Valuation	at cost	
2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
105,000	21,068,665	13,065,598	2,213,851	-	456,509	41,617	97,288	23,074,026	11,190,198	31,194,941	-	102,507,693
-	-	-	-	-	-	-	-	-	-	-	2,087,518	2,087,518
-	1,120,781	-	-	-	-	-	-	-	-	-	-	1,120,781
-	(29,894)	(48,636)	(24,881)	-	-	-	-	-	-	-	-	(103,411)
-	236,179	258,264	109,492	-	330,715	77,431	-	184,334	107,200	474,930	(1,778,544)	-
-	(370,000)	(708,974)	(33,396)	-	-	-	-	-	-	-	-	(1,112,370)
105,000	22,025,731	12,566,252	2,265,066	-	787,224	119,048	97,288	23,258,360	11,297,398	31,669,871	308,973	104,500,211

-	13,513,232	9,574,197	2,015,318	-	250,011	41,616	64,477	7,242,423	4,065,762	17,567,777	-	54,334,813
-	546,716	242,465	88,401	-	65,660	3,840	7,570	388,433	344,222	598,158	-	2,285,464
-	(370,000)	(688,150)	(22,069)	-	-	-	-	-	-	-	-	(1,080,219)
-	756,721	-	-	-	-	-	-	-	-	-	-	756,721
-	(78,530)	-	(24,881)	-	11,315	-	-	-	-	(11,315)	-	(103,411)
-	14,368,139	9,128,512	2,056,769	-	326,985	45,456	72,047	7,630,856	4,409,984	18,154,620	-	56,193,369
105,000	7,657,591	3,437,740	208,297	-	460,239	73,592	25,241	15,627,504	6,887,414	13,515,250	308,973	48,306,844

Range of estimated useful life in years

Land: Not depreciated Improvements: 5-80	30 - 60	60 - 80	3 - 5	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 100		
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Additions comprise:

Renewals

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	-	-	-	-	-
-	236,179	258,264	109,492	-	330,715	77,431	-	184,334	107,200	474,930	308,973	2,087,518
-	236,179	258,264	109,492	-	330,715	77,431	-	184,334	107,200	474,930	308,973	2,087,518

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2018

14 Property, plant and equipment
(c) Consolidated - 30 June 2017

Basis of measurement

Asset Values

Opening gross value as at 1 July 2016
Additions at cost
Revaluation adjustments to the ARS
Transfers
Disposals
Closing gross value as at 30 June 2017

Land and improvements	Buildings	Houses	Motor Vehicles	Motor Vehicles - Hire Purchase	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	Total
Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Valuation	Valuation	Valuation	at cost	
2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$
7,807,266	22,579,729	13,065,598	3,004,139	60,000	2,210,475	112,473	97,288	23,074,026	11,190,198	30,908,848	361,155	114,471,195
813,338	319,648	-	73,067	-	240,224	2,587	-	-	-	-	187,714	1,636,568
44,773	550,666	-	-	-	-	-	-	-	-	-	-	595,439
340,024	126,826	-	-	-	(204,174)	-	-	-	-	286,093	(548,869)	-
-	-	-	(13,636)	-	-	-	-	-	-	-	-	(13,636)
9,005,401	23,576,969	13,065,598	3,083,560	60,000	2,246,525	115,060	97,288	23,074,026	11,190,198	31,194,941	(0)	116,689,566

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2016
Depreciation provided in period
Depreciation on disposals
Revaluation adjustments to the ARS
Transfers
Accumulated depreciation as at 30 June 2017
Total written down value as at 30 June 2017

1,327,113	13,919,473	9,332,920	2,257,928	35,612	1,028,785	63,699	56,897	6,858,689	3,722,106	16,839,304	-	55,443,526
132,804	604,084	241,276	240,549	-	112,758	49,486	7,580	383,734	343,656	728,473	-	2,844,400
-	-	-	1,675	-	-	-	-	-	-	-	-	1,675
(49,747)	19,252	-	-	-	-	-	-	-	-	-	-	(30,495)
54,958	-	-	-	-	(54,958)	-	-	-	-	-	-	-
1,465,128	14,542,809	9,574,196	2,500,152	35,612	1,087,585	113,185	64,477	7,242,423	4,065,762	17,567,777	-	58,259,106
7,540,273	9,034,160	3,491,402	563,408	24,388	1,158,940	1,875	32,811	15,831,603	7,124,436	13,627,164	(0)	58,430,460

Range of estimated useful life in years

Land: Not depreciated Improvements: 5 - 80	30 - 60	60 - 80	3 - 5	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 100		
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(d) Council - 30 June 2017

Basis of measurement

Asset Values

Opening gross value as at 1 July 2016
Additions at cost
Revaluation adjustment to the ARS
Transfers
Disposals
Closing gross value as at 30 June 2017

Land and improvements	Buildings	Houses	Motor Vehicles	Motor Vehicles - Hire Purchase	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	Total
Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Valuation	Valuation	Valuation	at cost	
2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$
105,000	20,796,798	13,065,598	2,213,851	-	411,509	41,617	97,288	23,074,026	11,190,198	30,908,848	361,155	102,265,888
-	9,091	-	-	-	45,000	-	-	-	-	-	187,714	241,805
-	-	-	-	-	-	-	-	-	-	-	-	-
-	262,776	-	-	-	-	-	-	-	-	286,093	(548,869)	-
-	-	-	-	-	-	-	-	-	-	-	-	-
105,000	21,068,665	13,065,598	2,213,851	-	456,509	41,617	97,288	23,074,026	11,190,198	31,194,941	(0)	102,507,693

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2016
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to the ARS
Revaluation adjustment to expense
Accumulated depreciation as at 30 June 2017
Total written down value as at 30 June 2017

-	12,967,816	9,332,921	1,892,165	-	206,146	41,616	56,897	6,858,689	3,722,106	16,839,304	-	51,917,460
-	545,816	241,276	123,153	-	43,865	-	7,580	383,734	343,656	728,473	-	2,417,353
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	13,513,232	9,574,197	2,015,318	-	250,011	41,616	94,477	7,242,423	4,065,762	17,567,777	-	54,334,813
105,000	7,555,433	3,491,401	198,533	-	206,498	1	32,811	15,831,603	7,124,436	13,627,164	(0)	48,172,880

Range of estimated useful life in years

Land: Not depreciated Improvements: 5 - 80	30 - 60	60 - 80	3 - 5	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 100		
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(e) Fair Value Measurements

Valuation Techniques

(i) Recognised fair value

Council measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment

- Land and improvements
- Buildings
- Houses
- Water
- Sewerage
- Roads and Drainage

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents the consolidated entities assets measured and recognised at fair value at 30 June 2018 and 2017.

Consolidated		Level 2		Level 3		Total	
At 30 June 2018		(Significant other observable inputs)		(Significant unobservable inputs)			
	Note	\$	\$	\$	\$	\$	\$
		2018	2017	2018	2017	2018	2017
Recurring fair value measurements							
Land	14	10,277,573	7,540,273	-	-	10,277,573	7,540,273
Water	14	-	-	15,627,504	15,831,603	15,627,504	15,831,603
Sewerage	14	-	-	6,887,414	7,124,436	6,887,414	7,124,436
Roads & Drainage	14	-	-	13,515,250	13,627,164	13,515,250	13,627,164
Residential Buildings	14	-	-	3,437,741	3,491,402	3,437,741	3,491,402
Commercial Buildings	14	-	-	9,140,940	9,034,160	9,140,940	9,034,160
		<u>10,277,573</u>	<u>7,540,273</u>	<u>48,608,849</u>	<u>49,108,765</u>	<u>58,886,422</u>	<u>56,649,038</u>

The table presents the Council's entities assets measured and recognised at fair value at 30 June 2018 and 2017.

Council		Level 2		Level 3		Total	
At 30 June 2018		(Significant other observable inputs)		(Significant unobservable inputs)			
	Note	\$	\$	\$	\$	\$	\$
		2018	2017	2018	2017	2018	2017
Recurring fair value measurements							
Land	14	105,000	105,000	-	-	105,000	105,000
Water	14	-	-	15,627,504	15,831,603	15,627,504	15,831,603
Sewerage	14	-	-	6,887,414	7,124,436	6,887,414	7,124,436
Roads & Drainage	14	-	-	13,515,250	13,627,164	13,515,250	13,627,164
Residential Buildings	14	-	-	3,437,740	3,491,401	3,437,740	3,491,401
Commercial Buildings	14	-	-	7,657,591	7,555,433	7,657,591	7,555,433
		<u>105,000</u>	<u>105,000</u>	<u>47,125,500</u>	<u>47,630,037</u>	<u>47,230,500</u>	<u>47,735,037</u>

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Houses and Buildings (Level 3)

Houses and buildings belonging to the Woorabinda Aboriginal Shire Council are not able to be sold on the open market. These assets are valued using the revaluation model and the valuation is subject to professional assumptions and judgements and therefore are categorised as level 3 in the valuation hierarchy.

Buildings and houses are valued using a depreciated replacement cost methodology, which estimates the replacement cost for each building by taking into account a range of factors. The current replacement costs for assets that have been assigned with a unit rate have been determined in accordance with Rawlinson's Construction Handbook. A locality factor of 1.25 has been adopted. The current replacement cost for assets that have not been assigned with a unit rate have been calculated by increasing the 2014 replacement cost by the Producer Price Index (PPI).

For commercial and residential buildings, costs are based on the assumption that the asset to be replaced will be of the same function and area of the original building. It has been assumed that if the building is replaced it will be with one that meets current design standards within the existing floor area.

Accumulated Depreciation is subtracted from the replacement cost to reflect the consumed service potential of the asset. The amount of accumulated depreciation is calculated by taking into account the age or the condition of the asset. These calculations are made in accordance with the IPWEA Australian Infrastructure Financial Management Guidelines.

The condition of assets were obtained from the previous valuations undertaken by AECOM in 2009, 2012, 2014 and 2016 and updated to reflect the current condition of assets based on a sample of inspections. Inspections were carried out on approximately 5% of Community assets and a condition rating assigned. Buildings had approximately a 90% inspection rate.

Rankings used for the condition assessment are below. Source OPWEA Position Paper 7 which has referenced the International Infrastructure Management Manual.

Rank	Description of Condition
1	Very good condition Only normal maintenance required
2	Minor defects only Minor maintenance required (up to 5% of capital replacement cost)
3	Maintenance Required to Return to Accepted Level of Service Significant maintenance required (up to 50% of capital replacement cost)
4	Requires Renewal Significant renewal/upgrade required (up to 70% of capital replacement cost)
5	Asset Unserviceable (Complete asset replacement required)

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), estimated useful lives, pattern of consumption and asset condition.

Land (Level 2)

Land is valued using level 2 valuation inputs. Sales prices of comparable land sites are adjusted for differences such as property size.

Infrastructure Assets (Including Roads, Water and Sewerage) (Level 3)

All Council infrastructure assets were valued using level 3 valuation inputs using the cost approach.

The approach involved the identification of separate assets with different useful lives and taking into account a range of factors. The unit rates based on square metres or other unit capacities could be supported from market evidence (level 2). Other inputs such as estimates of useful life and remaining life requires professional judgement which impact on the determination of fair value. Therefore, these assets have been valued using level 3 valuation inputs.

Infrastructure assets are valued using a depreciated replacement cost methodology, which estimates the replacement cost for each asset by taking into account a range of factors. The replacement cost is based on current market prices for the supply and installation or construction of assets producing similar levels of service in the Central Queensland region. The assets have been valued on the basis of replacement with a modern day equivalent where appropriate.

In assigning unit rates for civil infrastructure, the following general assignments were made, based on the most probable in ground installation:

- sanitary sewers and manholes - 3.5 metre average depth
- storm sewers, manholes and gully pits - 1.5 metre average depth
- water pipes - 0.6 meter cover.

Because the cost of selecting different pipe material is generally less than 10% of the overall cost of the installation, cost differences were considered not to be material and an overall general rate applied.

An allowance for engineering has been included in the current replacement costs of assets. The engineering allowance accounts for investigations, survey, design/design review, supervision, contract administration, contract procurement, administration services and other minor miscellaneous items. Provided the work is in economically sized packages, an engineering allowance of 20% of the construction cost is considered representative. This incorporates nominally 10% provision for design and contract administration services and 10% for the balance of engineering work - investigation, survey, supervision and contract procurement.

The current replacement costs for assets that have been assigned with a unit rate have been determined in accordance with Rawlinson's Construction Handbook. A locality factor of 1.25 has been adopted.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2018

Accumulated Depreciation is subtracted from the replacement cost to reflect the consumed service potential of the asset. The amount of accumulated depreciation is calculated by taking into account the age or the condition of the asset. These calculations are made in accordance with the IPWEA Australian Infrastructure Financial Management Guidelines.

The condition of assets were obtained from the previous valuations undertaken by AECOM in 2009, 2012, 2014 and 2016 and updated to reflect the current condition of assets based on a sample of inspections. Inspections were carried out on approximately 5% of Community assets and a condition rating assigned.

Rankings used for the condition assessment are below. Source OPWEA Position Paper 7 which has referenced the International Infrastructure Management Manual.

Rank	Description of Condition
1	Very good condition Only normal maintenance required
2	Minor defects only Minor maintenance required (up to 5% of capital replacement cost)
3	Maintenance Required to Return to Accepted Level of Service Significant maintenance required (up to 50% of capital replacement cost)
4	Requires Renewal Significant renewal/upgrade required (up to 70% of capital replacement cost)
5	Asset Unserviceable (Complete asset replacement required)

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), estimated useful lives, pattern of consumption and asset condition.

Estimated useful lives and residual values for all infrastructure assets are disclosed in Note 14.

(iii) Valuations

The Woorabinda Aboriginal Shire Council engages external, independent and suitably qualified valuers to determine the fair value of land, houses, buildings and other infrastructure assets on a regular basis. An annual review is done to determine whether the carrying amount of the assets is materially different to fair value. If there is a material difference Council will engage valuers to provide a comprehensive revaluation or a desktop revaluation using appropriate indices.

Council engaged AECOM to perform a comprehensive revaluation as at 30 June 2016.

The below table details the latest revaluations provided to Council.

Class	30 June 2016
Land and Improvements	Full valuation by AECOM
Buildings	Full valuation by AECOM
Houses	Full valuation by AECOM
Water	Full valuation by AECOM
Sewerage	Full valuation by AECOM
Roads and Drainage	Full valuation by AECOM

At 30 June 2018, management have considered the movement in a number of published cost indices since the date of the last comprehensive revaluation.

Infrastructure:

In conjunction with advice received from AECOM and an internal assessment of indexation, Council have also considered the current condition and stage of life of their infrastructure assets. Assets within this category are typically quite old, but are maintained at a consistent and appropriate level to support their ongoing service potential to Council over the remainder of their allocated useful lives. There are no other indicators of increased degradation which would suggest the current carrying value is not reflective of the assets fair value, and Council do not intend to apply any such valuation adjustments on this basis.

Buildings:

Since the date of the last comprehensive revaluation an average increment of 5.6% was noted across the in the following indices, based on data published to 31 March 2018.

Asset revaluation index: Non-residential Construction, Qld

Producer price index: Non-Residential Construction, Qld

Producer price index: Building Construction, Qld

Council has applied this valuation increment to the buildings class at 30 June 2018.

Houses:

Since the date of the last comprehensive revaluation an average increment of 6% was noted across the in the following indices, based on data published to 31 March 2018.

Asset revaluation index: Housing, Brisbane

Producer price index: House Construction, Qld

Producer price index: Other-Residential Construction, Qld

As there is limited residential construction activity in the Shire which would support an increment to this extent, it is Council's opinion that applying this increment would result in the fair value of this class of assets being misrepresented.

(iv) Changes in fair value

The changes in level 3 assets with recurring fair value measurements are detailed in Note 14.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Consolidated		Council	
	2018	2017	2018	2017

15	Trade and other payables	\$	\$	\$	\$
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Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as wages and salaries and annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

Current

Creditors and accruals	1,792,968	2,017,791	1,542,715	1,920,217
Annual leave	262,530	202,210	197,082	164,731
	<u>2,055,498</u>	<u>2,220,001</u>	<u>1,739,797</u>	<u>2,084,948</u>

16 Borrowings

Current

Chattel Mortgage liability	272,020	219,462	-	-
Other Borrowings	236,927	318,683		
National Australia Bank - Glenwood Loan	164,000	-		
	<u>672,947</u>	<u>538,145</u>	<u>-</u>	<u>-</u>

Non Current

Chattel Mortgage liability	348,288	295,259	-	-
National Australia Bank - Glenwood Loan	2,296,559	-		
	<u>2,644,847</u>	<u>295,259</u>	<u>-</u>	<u>-</u>

All borrowings are in SA denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. The expected final repayment date on the hire purchase liability is January 2019. There have been no defaults or breaches of the loan agreements during the period. Principal and interest repayments on the hire purchase liability are made monthly in advance.

17 Provisions

Long Service Leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Provision for Tip Restoration

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. WASC maintain 3 sites with expected closure dates ranging from 2025 to 2050. It is expected that restoration will occur progressively over a 2 - 3 year period after closure.

As refuse dumps are on DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

Current

Provision for legal costs	200,000	-	200,000	-
Long service leave	53,015	15,173	53,015	15,173
	<u>253,015</u>	<u>15,173</u>	<u>253,015</u>	<u>15,173</u>

Non-Current

Long service leave	95,065	104,688	64,257	86,968
Provision for tip restoration	1,587,507	1,571,099	1,587,507	1,571,099
	<u>1,682,572</u>	<u>1,675,787</u>	<u>1,651,764</u>	<u>1,658,067</u>

Movements in long service leave provision are as follows:

Balance at the beginning of the financial year	119,861	81,502	102,141	60,385
Long service leave entitlements arising	28,219	43,588	15,131	46,985
Long service leave entitlements paid	-	(5,229)	-	(5,229)
Balance at the end of the financial year	<u>148,080</u>	<u>119,861</u>	<u>117,272</u>	<u>102,141</u>

Movements in provision for restoration are as follows:

Balance at the beginning of the financial year	1,571,099	1,550,557	1,571,099	1,550,557
Increase due to unwinding of discount	16,409	20,542	16,409	20,542
Balance at the end of the financial year	<u>1,587,508</u>	<u>1,571,099</u>	<u>1,587,508</u>	<u>1,571,099</u>

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Consolidated		Council	
	2018	2017	2018	2017
	\$	\$	\$	\$

18 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

Movements in the asset revaluation surplus are disclosed in Note 14.

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land and improvements	5,278,737	5,278,737	98,372	98,372
Buildings	2,874,660	2,510,600	2,082,690	1,718,630
Houses	6,011,872	6,011,872	6,011,872	6,011,872
Water	5,103,919	5,103,919	5,103,919	5,103,919
Sewerage	2,755,467	2,755,467	2,755,467	2,755,467
Roads and drainage	8,650,517	8,650,517	8,650,517	8,650,517
	<u>30,675,172</u>	<u>30,311,112</u>	<u>24,702,837</u>	<u>24,338,777</u>

19 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local Government Mutual

The Woorabinda Aboriginal Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$78,414.

20 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 72 entities contributing to the scheme and any changes in contribution rates would apply equally to all 72 entities. WASC made less than 4% of the total contributions to the plan in the 2017-18 financial year.

Superannuation contributions made to the Regional Defined Benefits Fund

Other superannuation contributions for employees	7	513,447	575,295	399,271	438,946
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WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Consolidated		Council	
	2018	2017	2018	2017
	\$	\$	\$	\$
21 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities				
Net operating result	4,532,362	(9,735,859)	3,225,522	(7,731,979)
Non-cash operating items:				
Depreciation and amortisation	2,638,046	2,644,400	2,285,464	2,417,353
(Gain)/Loss on revaluation of finance leases	(2,150,523)	3,481,922	(2,150,623)	3,481,922
Gain on acquisition of new finance leases	(1,525,905)	-	(1,525,905)	-
(Increments) decrements in net market value of biological assets	(717,484)	1,479,204	-	-
Unwinding of discount rate, provision for tip restoration	16,409	20,542	16,409	20,542
	(1,739,457)	7,826,068	(1,374,655)	5,919,817
Investing and development activities :				
Net (profit)/loss on disposal of non-current assets	3,824	(4,374)	19,424	(6,049)
Capital grants	(2,409,353)	(330,804)	(2,409,353)	(330,804)
	(2,405,529)	(335,178)	(2,389,929)	(336,853)
Changes in operating assets and liabilities :				
(Increase) decrease in receivables	(915,052)	429,215	(831,940)	364,685
(Increase) decrease in inventories	(14,413)	(23,629)	(11,915)	(23,629)
Increase (decrease) in payables	(164,504)	1,618,107	(345,152)	1,659,942
Increase (decrease) in other provisions	228,219	38,356	215,131	41,757
	(865,750)	2,062,049	(973,876)	2,042,755
Net cash inflow (outflow) from operating activities	(478,376)	(182,920)	(1,512,939)	(106,259)

22 Events after the reporting period

There were no material adjusting events after balance date.

23 Financial instruments

Woorabinda Aboriginal Shire Council and its controlled entity, Woorabinda Pastoral Company Pty Ltd has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	Consolidated		Council	
		2018	2017	2018	2017
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	5,200,636	5,186,367	4,624,584	5,017,396
Receivables - other	10	1,635,390	597,235	1,497,308	532,056
Other financial assets	12	22,841,304	19,950,341	22,841,304	19,950,341
Other credit exposures					
Guarantees	19	78,414	50,009	78,414	50,009
Total financial assets		29,755,744	25,783,952	29,041,608	25,549,802

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

23 Financial instruments

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Other financial assets

Other investments are held with financial institutions, which are rated AAA to AA-, whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and other receivables

The Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Consolidated		Council	
	2018	2017	2018	2017
	\$	\$	\$	\$
Not past due	1,707,826	80,282	1,569,743	15,103
Past due 31-60 days	(50,502)	-	(50,502)	-
Past due 61-90 days	-	482,734	-	482,734
More than 90 days	223,808	279,961	223,808	279,961
Impaired	(245,742)	(245,742)	(245,742)	(245,742)
Total	1,635,390	597,235	1,497,308	532,056

The collectability of receivables is assessed periodically and if there is objective evidence that the consolidated entity will not be able to collect all amounts due, the amount is impaired.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Consolidated	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
30 June 2018					
Trade and other payables	1,792,968	-	-	1,792,968	1,792,968
Borrowings	672,947	2,644,847	-	3,317,794	3,317,794
	2,465,915	2,644,847	-	5,110,762	5,110,762
30 June 2017					
Trade and other payables	2,017,791	-	-	2,017,791	2,017,791
Borrowings	538,145	295,260	-	833,405	833,405
	2,555,936	295,260	-	2,851,196	2,851,196

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

23 Financial instruments

Council	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
30 June 2018					
Trade and other payables	1,542,715	-	-	1,542,715	1,542,715
	<u>1,542,715</u>	<u>-</u>	<u>-</u>	<u>1,542,715</u>	<u>1,542,715</u>
30 June 2017					
Trade and other payables	1,920,217	-	-	1,920,217	1,920,217
	<u>1,920,217</u>	<u>-</u>	<u>-</u>	<u>1,920,217</u>	<u>1,920,217</u>

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through borrowings held by their controlled entity, Woorabinda Pastoral Company.

The company has access to a mix of variable and fixed rate funding options so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements for variable financial assets and liabilities at an estimated change in interest rates (assumed to be 1%) would have an immaterial impact on net result and equity, based on the carrying values at the end of the reporting period. This assumes that the change in interest rates would be held constant over the period.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

24 Transactions with Related Parties

(a) Transactions with subsidiaries (i.e. wholly owned entities of Council)

Council is the sole shareholder of 462,129 \$1 fully paid ordinary shares in Woorabinda Pastoral Company Pty Ltd (WPC). The following transactions occurred with WPC:

Details of Transaction	2018	2017
	\$	\$
Dividend from Woorabinda Pastoral Company, for the year ended 30 June 2018	62,500	-
Goods and services supplied by WPC to Council on normal terms and conditions	8,966	-
Goods and services supplied by Council to WPC, on normal terms and conditions	82,339	19,236

At 30 June 2018, WPC's debtor account balance with Council was \$57,647.14, which includes the above sales occurring during FY18 plus sales occurring in FY17 which remain unpaid.

(b) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some Executive Management. The compensation paid to KMP for 2017/18 comprises:

	2018	2017
	\$	\$
Short-term employee benefits	866,712	862,752
Post-employment benefits	-	-
Long-term benefits	10,269	8,499
Termination benefits	-	-
Total	876,981	871,251

Detailed remuneration disclosures are provided in the annual report.

Council employed 3 close family members of KMP during the year. All were employed on normal commercial terms. Total remuneration paid to these employees for the year ended 30 June 2018 was \$73,218.66

(c) Transactions with other Related Parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between council and other related parties are disclosed below. All transactions occurring with KMP and related parties of KMP are on an arms length basis:

Details of Transaction	2018 \$			
	Payments to Related Parties	Amounts Due to Related Parties	Receipts from Related Parties	Amounts Due from Related Parties
Reimbursements of expenditure incurred on Councils behalf by KMP or related parties of KMP	18,267	-	-	-
Travel allowances paid to Councillors	9,884	-	-	-
Rent collected from KMP residing in Council owned premises	-	-	21,073	8,582
Supply of miscellaneous materials and services to KMP or entities controlled by KMP	642	-	-	-

(d) Outstanding balances

Outstanding balances owed to, or receivable from, related parties at 30 June 2018 are disclosed above.

(e) Loans and guarantees to / from Related Parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(f) Commitments to / from other Related Parties

There are no commitments to / from other related parties at balance date.

(g) Transactions with Related Parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Woorabinda Aboriginal Shire Council. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties (e.g. dog registrations).

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

WOORABINDA ABORIGINAL SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2018

25 Correction of error

In the process of preparing the financial statements for the year ended 30 June 2018 an omission was identified with respect to Council's provision for tip restoration. Historically, Council have not recorded a provision however it was determined that Council have a material liability to restore the 3 sites at their end life and a provision should be brought to account on this basis.

This error has been corrected by adjusting the opening balances at 1 July 2016 and the comparative amounts for 2016-17. The adjustments are as follows:

	Consolidated		Council	
	As at 30 June 2017	As at 1 July 2016	As at 30 June 2017	As at 1 July 2016
Provision for tip restoration	1,571,099	1,550,557	1,571,099	1,550,557
	Period ended 30 June 2018	Period ended 30 June 2017	Period ended 30 June 2018	Period ended 30 June 2017
Increase in provision for tip restoration	-	20,542	-	20,542
Increase in non-current liabilities	-	20,542	-	20,542
Decrease in retained surplus	-	(20,542)	-	(20,542)
Increase in capital expenditure	-	20,542	-	20,542
Decrease in net result attributable to council	-	(20,542)	-	(20,542)

A restated Statement of Financial Position has been included in the financial statements as at 1 July 2016.

26 Commitments for Expenditure

There were no commitments for expenditure at 30 June 2018 (30 June 2017: nil)

WOORABINDA ABORIGINAL SHIRE COUNCIL

FINANCIAL REPORT

For the Year Ended 30 June 2018

Management Certificate

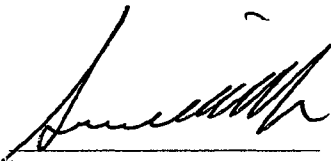
For the Year Ended 30 June 2018

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

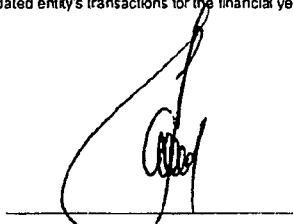
(ii) the general purpose financial statements, as set out on pages 1 to 30, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.



Mayor

Name: Clayton Winkie

Date: 30, 10, 2018



Chief Executive Officer

Name: Emil Mavri

Date: 30 OCT 2018

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Woorabinda Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Woorabinda Aboriginal Shire Council (the Council) and its controlled entities (the Group).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's and Group's financial position as at 30 June 2018, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2018, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the Council and the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises the information included in the Woorabinda Aboriginal Shire Council annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Council for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the Council's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the Council or to otherwise cease operations of the Group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Council's or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- Conclude on the appropriateness of the Council's and the Group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Sri Narasimhan
as delegate of the Auditor-General

31 October 2018

Queensland Audit Office
Brisbane

WOORABINDA ABORIGINAL SHIRE COUNCIL

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

WOORABINDA ABORIGINAL SHIRE COUNCIL

Current-year Financial Sustainability Statement
For the Year Ended 30 June 2018

Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets:

	How the measure is calculated	Actual Consolidated	Actual Council	Target
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items).	-6.88%	-22.55%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	0.00%	0.00%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items).	-26.52%	-26.49%	not greater than 60%


Note 1 - Basis of Preparation

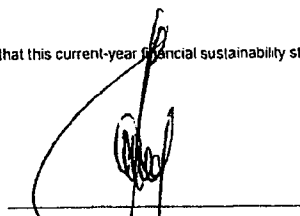
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2018.

Certificate of Accuracy
For the year ended 30 June 2018

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Mayor
Name: Cathy Walker
Date: 30/10/2018


Chief Executive Officer
Name: Emil Mool
Date: 30 OCT 2018

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Woorabinda Aboriginal Shire Council

Report on the Current Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Woorabinda Aboriginal Shire Council for the year ended 30 June 2018 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Woorabinda Aboriginal Shire Council for the year ended 30 June 2018 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information included in Woorabinda Aboriginal Shire Council's annual report for the year ended 30 June 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

31 October 2018

Queensland Audit Office
Brisbane

WOORABINDA ABORIGINAL SHIRE COUNCIL

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

Woorabinda Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2018

Measures of Financial Sustainability

Consolidated

	Measure	Target	Actuals at 30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-6.85%	-13.33%	-8.33%	-5.00%	-1.67%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	0.00%	37.44%	37.76%	38.97%	40.15%	39.55%	38.84%	38.84%	38.84%	38.84%	38.84%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-26.52%	-67.19%	-59.78%	-57.38%	-55.68%	-52.78%	-50.56%	-50.56%	-50.56%	-50.56%	-50.56%

Council

Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-22.55%	-4.18%	-0.81%	1.66%	-4.15%	0.65%	9.16%	11.68%	14.10%	16.60%	16.60%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	0.00%	16.70%	16.38%	16.38%	16.38%	16.38%	16.38%	16.38%	16.38%	16.38%	16.38%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-26.42%	-32.33%	-30.79%	-29.14%	-32.31%	-37.93%	-45.89%	-50.08%	-68.38%	-82.67%	-82.67%

Woorabinda Aboriginal Shire Council's Financial Management Strategy

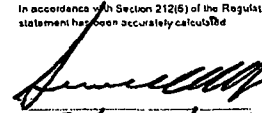

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2018

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(6) of the Regulation we certify that the long-term financial sustainability statement has been accurately calculated.

Mayor  Name: Julianne Wicks
 Chief Executive Officer  Name: Emmi Mori
 Date: 30.10.2018 Date: 30 OCT 2018